

**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

IN RE: Application of FTC Communications, Inc.)
DBA FTC Wireless for Designation as an)
Eligible Telecommunications Carrier)
Pursuant to Section 214 (e)(2) of the)
Communications Act Of 1934)

UTILITIES DEPARTMENT

DOCKET NO. 2007-193-C

**PETITION OF
FTC COMMUNICATIONS, INC. D/B/A FTC WIRELESS
FOR DESIGNATION AS AN
ELIGIBLE TELECOMMUNICATIONS CARRIER
IN THE STATE OF SOUTH CAROLINA**

FTC Communications, Inc. d/b/a FTC Wireless ("FTCC" or "Company"), pursuant to Section 214 (e)(2) of the Communications 1934, as amended (the "Act"),¹ petitions the Commission for designation as an Eligible Telecommunications Carrier ("ETC") throughout the area of South Carolina served by the Farmers Telephone Cooperative. As demonstrated herein, FTCC meets all statutory and regulatory for ETC designation. FTCC respectfully submits that the grant of the requested ETC designation will serve the State of South Carolina and its citizens as well as the public interest in general by ensuring that connectivity to universal service is available throughout the rural areas of South Carolina served by FTCC. The designation of FTCC as an ETC will result in additions and enhancements to the services provided by FTCC that will benefit both those South Carolinians that reside in the areas served by FTCC as well as all who may travel to and from and through the FTCC service area.

¹ 47 U.S.C. § 214(e)(2).

I. Background

FTCC, a South Carolina corporation, is licensed by the Federal Communications Commission to provide commercial mobile radio services (“CMRS”). FTCC’s ultimate owner, Farmers Telephone Cooperative, Inc. (“Farmers”), is a cooperative which has a long history of providing quality telecommunications services, including wireline service, to customers in rural areas of east central South Carolina. In order to continue to meet its service commitment to its member and the communities in which they reside, Farmers undertook a concerted effort to obtain a license from the Federal Communications Commission (“FCC”) in order to ensure that the rural area of South Carolina in which its cooperative members reside would receive wireless services. As a result of these efforts, FTCC obtained the rights to provide wireless service throughout the counties of Clarendon, Lee, Sumter and Williamsburg and in certain portions of Florence and Georgetown counties.

FTCC provides all of the services and functionalities supported by the federal universal service program, and enumerated in Section 54.101(a)(1)-(9) FCC’s Rules² within its license service areas. If the Commission designated FTCC as an ETC, FTCC will use high-cost support for the provision, maintenance, and upgrading of the facilities and the services for which universal service is intended. In addition, if the Commission designates FTCC as an ETC, FTCC will be able to make available low-income universal service support for the provision of Lifeline and Link-Up discounted wireless service to qualifying low-income consumers residing in the areas served by FTCC who cannot otherwise afford wireless service.

FTCC is committed to compliance with all of the additional requirements established by

both the Commission and the FCC, including the annual reporting requirements established by the FCC in Federal-State Joint Board on Universal Service, Report and Order, 20 FCC Rcd 6371 (2005) (“*ETC Report and Order*”). As demonstrated below, FTCC satisfies the criteria for ETC designation to serve the requested designated service area and respectfully commits that its designation as an ETC by the Commission will serve the general public interest and the interests of citizens of South Carolina residing in the rural areas of the State served by FTCC.

II. FTCC Meets The Prerequisites For ETC Designation Established By Both The Commission And The FCC.

A. FTCC Provides The Services And Functionalities That the FCC Has Designated As Supported By The Federal High-Cost and Low Income Universal Service Program.

Section 214(e)(1)(A) of the Act requires an ETC to offer those services supported by the Federal universal service fund through the utilization of its own facilities or through a combination of its own facilities and the resale of another carrier’s services. The FCC has identified the following services as those supported by the Federal universal service fund and therefore required of ETCs:

- 1) voice grade access to the public switched network;
- 2) access to free of charge "local usage" defined as an amount of minutes of use of exchange service;
- 3) dual tone multi-frequency signaling or its functional equivalent;
- 4) single-party service or its functional equivalent;
- 5) access to emergency services;

² 47 C.F.R. § 54.101(a)(1)-(9).

- 6) access to operator services;
- 7) access to interexchange service;
- 8) access to directory assistance; and
- 9) toll limitation services for qualifying low-income consumers.³

In addition, a common carrier designated as an ETC must advertise the availability of those services supported by the federal universal service support mechanism in media of general distribution.⁴

As described in detail below, FTCC provides all of the nine supported services using its own facilities in satisfaction of the requirements of Section 214(e)(1) of the Act. An ETC has the obligation to offer the supported services upon reasonable request throughout the area in which it is designated an ETC. While FTCC accepts the obligation to offer these supported services upon reasonable request throughout its licensed service area in rural South Carolina, it seeks the designation as an ETC in order to have the opportunity to utilize universal service funding to meet this commitment – the very commitment that the USF is intended to foster.

FTCC currently provides all subject services within its service area through its own facilities. Upon designation as an ETC, FTCC will implement a network and service plan to extend the provision of these services throughout the entire service area in which it is designated an ETC in order to achieve the availability of universal service to customers regardless of where they reside or travel within the FTCC service area. FTCC currently

³ 47 C.F.R. § 54.101(a)(1).

⁴ 47 C.F.R. § 54.201(d)(2).

provides the supported services as described below:

Voice Grade Access To The Public Switched Network - "Voice grade access" enables a telecommunications user to transmit and receive voice communications, including the signaling associated with the transmission and receipt of telecommunications traffic. FTCC provides customers with the ability not only to place and receive voice grade calls to and from other customers utilizing FTCC's services, but also to send and receive calls from all customers on the public switched network. FTCC provides this voice grade access to customer through the interconnection of its facilities to the public switched network in accordance with interconnection agreements with local exchange carriers and interexchange carriers.

Access To Free Of Charge "Local Usage" Defined As An Amount Of Minutes Of Use Of Exchange Service - The FCC rules define "Local usage" as an amount of minutes of use of exchange service provided for a fee and without an additional usage charge to end users.⁵ In its ETC Order the FCC provided guidance on this requirement and required an ETC Applicant to "demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation."⁶

FTCC is committed to providing customers residing in its rural South Carolina service area with valuable calling plans. FTCC's current calling plans offer consumers numerous benefits including the inherent mobility of wireless service and service packages with no distinction between "local" and "long distance" calls . To the extent FTCC's existing calling plans are not deemed comparable to those offered by incumbent wireline local exchange carriers (including its own parent), the designation of FTCC as an ETC and the receipt of universal

service support will enable FTCC to offer customers a new “Basic Universal Service Plan.”

This plan, made possible by ETC designation, is designed to meet the needs of those customers whose primary interest is in obtaining a basic, low-cost wireless connection to the network. The “Basic Universal Service Plan” will be comparably priced to the basic unlimited landline local calling plans offered by the Farmers Telephone Cooperative. This service offering will enable FTCC wireless customers to call all Farmers Telephone Cooperative local service numbers without any additional charges or long distance charges. FTCC anticipates that universal service customers may, in fact, consider FTCC’s “Basic Universal Service Plan” superior to the current comparable local telephone service offerings which assess additional charges for long distance toll calls.

Dual Tone Multi-frequency Signaling or its Functional Equivalent - This requirement refers to a method of signaling that facilitates the transport of call set-up signaling and call detail information. Dual Tone Multi-Frequency (“DTMF”) makes "touchtone" dialing possible in wireline service by enabling the transportation of signaling through the network. The FCC has recognized that instead of DTMF, “wireless carriers use out-of-band signaling mechanisms... [It] is appropriate to support out-of-band signaling mechanisms as an alternative to DTMF signaling.” FTCC currently uses out-of-band digital signaling and in-band multi-frequency signaling that is the functional equivalent to DTMF signaling in accordance with the FCC's requirements.

Single Party Service - With respect to wireline service, single party service describes a customer’s exclusive use of a particular subscriber loop or access line by a single subscriber.

When basic wireline services were initially introduced in a service area, facilities limitations often resulted in customers sharing loops and that was referred to as multi-party or party line service. In establishing the criteria for universal service, the FCC sought to ensure that no such limitations prevented customers from obtaining single party service. In contrast to the evolution of wireline service, wireless service has always provided customers with a dedicated path. The FCC has determined that a CMRS provider meets the requirement of offering single party service by offering a dedicated message path for an individual user.⁷ Accordingly, FTCC meets the requirement of single-party service in all of its service offerings by providing a dedicated message path for each user's wireless transmissions.

Access to Emergency Services – This requirement ensures that a universal service provider enables its customers to be able to reach a public service answering point ("PSAP") by dialing "911" in order to obtain emergency services. The FCC requires that a carrier must provide access to enhanced 911 or "E911", which includes the capability of providing both automatic numbering information ("ANI") and automatic location information ("ALI"), when the PSAP is capable of receiving such information and the service is requested from the carrier.⁸ In accordance with these requirements, FTCC provides its customers with the ability to access emergency services by dialing "911". By granting FTCC the requested ETC designation, FTCC will be able to undertake its 5-year plan to deploy additional coverage throughout its service area and, thereby, increase the ability for its customers to access emergency services when they reside in or travel through the more remote parts of FTCC's rural service area.

⁶ 47 C.F.R. § 54.202(a)(4).

⁷ 47 C.F.R. § 54.101(a)(4); Universal Service Order, 12 FCC Rcd at 8810, ¶ 62.

⁸ 47 C.F.R. § 54.101(a)(5).

Access to Operator Services – This requirement ensures that customers of an ETC have the ability to obtain live or automated assistance to complete a call or to arrange for billing of the call.⁹ FTCC meets this requirement by providing customers access to automated and live operator services by dialing “0.”

Access to Interexchange Services – The FCC requires ETCs to offer consumers access to interexchange service in order to enable them to make and receive long distance toll or interexchange calls.¹⁰ FTCC complies with this requirement by enabling its customers to send and receive calls to and from customers located anywhere on the public switched network. As a universal service provider, FTCC will ensure that its customers will not only have available to them a basic low-cost connection to its wireless network with the implementation of the FTCC “Basic Universal Service Plan,” but they will also have the ability to make and receive long distance toll or interexchange calls.

Directory Assistance – This ETC requirement provides customers with the ability to access services to obtain directory listings.¹¹ FTCC meets this requirement by providing its customers with access to directory assistance (commonly referred to as “information”) by dialing “411.”

Toll Limitation - The FCC established this requirement to ensure that qualifying low-income users of universal services can utilize either "toll control" or "toll blocking" services to limit or block calls to points beyond a local calling scope that may give rise to additional charges.¹²

⁹ 47 C.F.R. §54.101(a)(6).

¹⁰ 47 C.F.R. §54.101(a)(7).

¹¹ 47 C.F.R. §54.101(a)(8). An ETC, however, is not required to offer both “toll control” and “toll blocking” services if it is incapable of providing both. 47 C.F.R. §54.400(d).

¹² 47 C.F.R. §54.101(a)(9).

FTCC's calling plans do not currently make a distinction between local and toll calls, and because FTCC is not currently designated as an ETC, otherwise qualifying low-income South Carolina customers are not able to utilize the FCC's Lifeline and Link Up programs to offset the cost of FTCC's wireless services. If the Commission grants FTCC's request for designation as an ETC, low-income South Carolina customers will not only be able to utilize the Lifeline and Link-up programs to reduce their charges for FTCC's wireless services, but FTCC will also offer toll limitation service to address the needs of low-income users that seek a basic, low-cost wireless connection to the network. FTCC will enable Lifeline customers to apply the Lifeline USF support toward the purchase of a "smart card." The smart card issued to the customer will provide limitation on the use of the wireless service for calls beyond the amount that the Lifeline Customer pays for.

B. In Accordance With Established Requirements, FTCC Provides Or Will Provide The Supported Facilities Using Its Own Facilities Or A Combination Of Its Own Facilities And The Facilities Of Other Carriers.

FTCC certifies that it provides or will provide (as is the case with service plans supported by USF for qualifying low-income customers) the supported services using its own facilities or a combination of its own facilities and the resale of another carrier's service.¹³ FTCC primarily utilizes its own network infrastructure in its own service area including antennae, cell-sites, towers, and trunking. In accordance with an operating agreement with AT&T (fka Cingular), the FTCC facilities utilize mobile switching and interconnection facilities to serve its existing customers. FTCC will utilize the same facilities and arrangements to provide the supported

¹³ 47 C.F.R §54.201(d)(1).

universal services and construct new facilities where required if the Commission grants the request for designation as an ETC. Upon grant of the requested ETC designation, FTCC will utilize USF to enhance coverage availability and emergency backup reliability throughout its service area in rural South Carolina.

C. FTCC Will Meet The Requirement To Advertise The Availability of Universal Services If It Is Designated An ETC.¹⁴

FTCC certifies that it will advertise the availability of the supported universal services and the corresponding rates and charges for the services in a manner designed to inform the general public within its service area if it is designated as an ETC. The promotion of the availability of these services is consistent with the underlying purpose of FTCC and its parent, the Farmers Telephone Cooperative. FTCC will welcome the opportunity as an ETC to utilize all available local media and other forms of advertising to ensure that the general public is informed of the availability of the supported universal services. In addition, FTCC will work with local social service agencies to ensure that qualifying low-income individuals are informed of the opportunity to utilize lifeline and link-up funding to obtain universal wireless services from FTCC if the requested ETC designation is granted.

D. FTCC Meets The Additional Requirements Established By The FCC And Adopted By the Commission.

The FCC's *ETC Report and Order* placed additional requirements on carriers seeking ETC designation from the FCC and similar requirements have been adopted by the Commission. Accordingly, in order to receive ETC designation, and applicant must:¹⁵

¹⁴ 47 C.F.R §54.201(d)(2).

¹⁵ 47 C.F.R §54.202(a)1-5.

- (1) commit to provide service throughout the ETC designated area to all customers making a reasonable request;
- (2) demonstrate the ability to remain functional in an emergency;
- (3) demonstrate that it will satisfy the applicable consumer protection and service quality standards;
- (4) show that it offers local usage plans comparable to the one offered by the incumbent LEC; and,
- (5) certify that it may be required to provide equal access to long distance carriers in the event that no other ETC is providing equal access within the service area.

In accordance with these requirements, FTCC respectfully certifies that it meets or will meet each requirement in the manner described below:

1. FTCC is committed to the provision of service throughout its proposed designated ETC service area to all customers making a reasonable request for service.

a. FTCC will respond on a timely basis to all reasonable requests for service.

FTCC certifies that it will provide service on a timely basis to requesting customers within the FTCC's service area where FTCC's network already provides coverage to the potential customer's premises. In all instances where a request for service is made by a potential customer within its existing network coverage, FTCC will provide service immediately upon request.

If a potential customer requests service within FTCC's designated area, but outside its existing coverage area, FTCC certifies that it will follow the six-step process specified in 47 C.F.R. § 54.202(a)(1)(i)(B) of the FCC's Rules and Regulations. Specifically, FTCC will establish and provide service within a reasonable time if service can be provided at reasonable

cost by:

- (1) Modifying or replacing the requesting customer's equipment;
- (2) Deploying a roof-mounted antenna or other equipment;
- (3) Adjusting the nearest cell tower;
- (4) Adjusting network or customer facilities;
- (5) Reselling services from another carrier's facilities to provide service; or
- (6) Employing, leasing or constructing an additional cell site, cell extender, repeater, or other similar equipment.¹⁶

b. FTCC has established a two-year plan for improvements and upgrades and will provide the Commission with annual updates.

In accordance with the criteria both established and under consideration by the Commission, FTCC has established a two-year plan that describes with specificity proposed improvements or upgrades to FTCC's network on both a cell site by cell site basis and a wire center-by-wire center basis throughout its proposed designated ETC service area. The plan, to be submitted as Supplemental Proprietary Exhibit 1¹⁷, demonstrates how signal quality, coverage capacity, and emergency back-up services will improve as a result of the receipt of high-cost support.

FTCC respectfully submits that the provision of a five-year plan, as suggested by the FCC, would not be meaningful to the Commission's consideration of the requested ETC designation. The nature of wireless service and evolving consumer needs is dynamic. While

¹⁶ 47 C.F.R. § 54.202(a)(1)(i)(B).

¹⁷ The two year plan contains highly sensitive competitive information. Accordingly, FTCC is concurrently filing a Motion to seek a protective order to ensure that FTCC may submit the plan to the Commission for its review on a confidential and proprietary basis.

FTCC could submit a five-year plan as discussed by the FCC, FTCC believes that the Commission's focus on a two-year plan provides the Commission with more meaningful and realistic information. In addition to the submission of the two-year plan, FTCC will commit to provide the Commission with annual updates demonstrating its planned utilization of USF proceeds for the subsequent two-year period at the time that FTCC seeks its annual certification from the Commission with respect to its prospective utilization of USF funds.

The proprietary two year Plan includes the projected start date and completion date for each improvement and the estimated amount of investment for each project that FTCC proposes to implement as a result of the receipt of high-cost support. The information provided in the Plan demonstrates the specific geographic areas where the improvements will be made on a wire center by wire center basis as well as on a cell site by cell site basis. While the estimated population that will be served as a result of the improvements can be determined in conjunction with the wire center analysis, the fact is that citizens of South Carolina residing within the FTCC service area and all members of the public that may travel through the FTCC service area will be potential beneficiaries of the planned improvements.

c. FTCC's commitment to meeting the service requirements will be measured in accordance with the additional reporting requirements that the FCC has established.

FTCC's commitment to meet the service provision requirements and implementation plans addressed in its two-year plan will be measured by its reports to both the Commission and to the FCC. If designated an ETC, FTCC will annually report the number of requests for service

from potential customers within its service area that were unfulfilled during the past year, if any.¹⁸ In the event any order was unfulfilled, FTCC will explain in detail the steps it undertook to provide service.

In accordance with the FCC's rules,¹⁹ FTCC will also provide the Commission and the FCC with annual progress reports on its service quality improvement plan, including maps demonstrating in detail the progress made toward meeting the objectives of the plan and an explanation regarding any network improvement targets that have not been fulfilled. FTCC's annual progress reports will include an explanation of how much universal service support was received and how it was used to improve signal quality, coverage, and capacity in accordance with the FCC's requirements.

2. FTCC will remain functional in emergency situations.

FTCC is committed to providing and maintaining essential telecommunications services in times of emergency. FTCC has battery backup or permanent generators at all of its cell sites. In addition, FTCC has deployed cellular on wheels or "COWs" which are portable cell sites that can be driven to locations where emergency conditions have disrupted service. FTCC, through its operating arrangement with AT&T, utilizes AT&T's mobile switches all of which are equipped with emergency generators. FTCC maintains state of the art monitoring systems in place so that it can quickly identify if any cells sites are not functioning properly and act accordingly. As indicated in FTCC's two-year Plan, FTCC intends to utilize USF to enhance emergency operational capabilities throughout its service area.

In addition to the deployment of back-up power capability, FTCC has deployed the

¹⁸ 47 C.F.R. § 54.209(a)(3).

capability of rerouting traffic in the unlikely event of a facilities outage. Similarly, AT&T provides alternative routing from its switch which is utilized by FTCC. FTCC also closely monitors cell site usage to ensure that it can add channel capacity in the vent of a traffic spike resulting from an emergency situation.

FTCC will fully comply with the annual reporting provisions established by the FCC and provide both the Commission and the FCC with detailed reports on any outage that may occur in accordance with the FCC's requirements.²⁰

3. FTCC meets applicable consumer protection and service quality standards.

The FCC has indicated that the commitment of a wireless ETC applicant to comply with the Cellular Telecommunications and Internet Association's (the "CTIA") Consumer Code for Wireless Service will satisfy the requirement that ETCs meet applicable consumer protection and service quality standards.²¹ FTCC has adopted the CTIA Code, and is committed to compliance with the CTIA Code throughout its service areas, including those areas where it is seeking designation as an ETC. In accordance with FCC requirements, if FTCC is designated an ETC by the Commission, it will report annually both to the Commission and the FCC the number of customer complaints it receives each year per 1000 handsets in order to enable the Commission to measure how well FTCC meets its commitment to consumer protection and service quality.

In addition, FTCC shares the same commitment and duty to the community it serves as its parent, the Farmers Telephone Cooperative. As a community owned cooperative, the entire orientation of the Farmers Telephone Cooperative and all of its affiliates serving the cooperative

¹⁹ 47 C.F.R. § 54.209(a)(1).

²⁰ 47 C.F.R. § 54.209(a)(2).

²¹ 47 C.F.R. § 54.202(a)(3).

community is focused on serving the customer. In fact, the very fundamental principle that led the Farmers Telephone Cooperative to make the substantial commitment to bring wireless service to the community through its wholly owned affiliate, FTCC, is the same principle that has led FTCC to seek ETC status to ensure that it can fulfill its mission to provide the community it serves with the opportunity to obtain universal service through the wireless services offered by FTCC.

4. FTCC offers local usage plans comparable to the one offered by the incumbent LEC in the service areas for which it seeks ETC designation.

As described in section II. A. above, FTCC is committed to providing calling plans with local usage that is comparable or significantly better than that provided by the local exchange carriers that provide service in the FTCC service area (i.e., FTCC's affiliate, the Farmers Telephone Cooperative and Verizon). FTCC's existing calling plans provide varying amounts of usage and make no differentiation between local and toll calling. Because the service areas, calling scopes and services of wireless providers like FTCC differ from those that can be offered by incumbent LECs, it is difficult to make a quantitative comparison of existing plans. FTCC respectfully submits that because of the larger calling scope it can offer together with rate plans that do not distinguish local and long distance usage, the FTCC calling plans are comparable and, for many customers, preferable to the service plans offered by wireline incumbent LECs. In addition to the existing calling plans, however, FTCC will, as previously described, offer a new "Basic Universal Service Plan" to provide customers with low-cost connection to its wireless

network if it is designated an ETC.

5. FTCC will provide equal access if necessary.

Consistent with Section 54.202(a)(5) of the FCC's Rules and Regulations, FTCC certifies that it will provide equal access to long distance carriers in the event that no other ETC is providing equal access within the service area in which it serves as an ETC. The likelihood of this eventuality is remote inasmuch as equal access is provided in the area within which FTCC seeks ETC designation by the Farmers Telephone Cooperative.

**III. The Designation Of FTCC As An ETC By
The Commission Will Serve The Public Interest.**

The designation of FTCC as an ETC in its service area will provide rural South Carolina consumers with the benefits of increased wireless coverage and advantageous universal service offerings. Universal service support will enable FTCC to construct facilities to offer service to currently unserved areas and improve the quality of service in areas of FTCC's rural service area where market conditions alone would not warrant further investment. As a result of the availability of universal service funding, FTCC will be able to offer wireless service to individuals who may not otherwise be able to receive or afford the service. Upon designation by the Commission as an ETC, FTCC is fully committed to the utilization of the universal service support it receives for network expenditures for the provision, maintenance, and upgrading of its facilities and services within its service area. As demonstrated herein, and in FTCC's attached two and five-year Plan, FTCC will use the universal service funding to build new cell sites, to enhance coverage from existing sites, and to deploy additional emergency backup capability.

FTCC, like its affiliate Farmers Telephone Cooperative, is fully aware of the service responsibility that must be undertaken by an ETC designation and equally committed to fulfill this responsibility if the Commission designated it an ETC.

By designating FTCC as an ETC, consumers in the rural and high-cost to serve areas of South Carolina served by FTCC will receive the direct benefits of increased choices of telecommunications universal service provider, innovative service offerings in addition to a new “Basic Universal Service Plan,” and the provision of state of the art technologies and networks that support the provision of universal service. As demonstrated through its long-term commitment to rural telecommunications service provision and its qualifications as an ETC, FTCC has shown that it is ready, willing and able to meet the responsibilities of ETC designation in a manner that will serve the consumers in its rural South Carolina service area and the public interest in general.

FTCC understands the need to further the public interest and believes its request for certification is in the best interests of the citizens who reside in its service area who stand to gain wireless access in remote areas where private investment will not develop a network, who will have a network supported by USF less susceptible to or free of profitability considerations, who will enjoy consistent and high quality coverage more closely resembling wireline service available through the ILEC, who will gain the freedom of mobile access to the switched network where persons can communicate and not be tied to their residential location and who will enjoy the security afforded by mobile coverage without significant gaps in coverage in their service area. While competition may be a consideration in analyzing the issue of what is in the public

interest, it is the provisioning and the improvement in the telecommunications service to citizens in its service area upon which FTCC's request is predicated, and FTCC accepts the continuing obligation to demonstrate how its use of USF support achieves these and other goals to further the public interest.

IV. Identification Of The Specific Area In Which FTCC Seeks ETC Designation

As a provider of cellular services, FTCC is not considered a "rural telephone company" as that term is defined by 47 U.S.C. Section 153(37) of the Act. In accordance with the requirements for ETC designation FTCC is required to describe the geographic area in which it requests designation.²² FTCC respectfully requests ETC designation in the entire "rural" telephone company study area of the Farmers Telephone Cooperative which FTCC is licensed to serve in its entirety. The FCC has expressed concern and required a "cream-skimming" analysis in those instances where a carrier seeking ETC status proposes to serve some, but not all, of a study area served by an incumbent rural local exchange carrier. In this instance, no cream-skimming analysis is required because FTCC proposes to serve the entire study area served by the Farmers Telephone Cooperative.²³

V. The Public Interest Will Be Served By The Commission's Grant Of High Cost

²² Section 214 Public(e)(6) Public Notice, 12 FCC Rcd at 22949.

²³ Although FTCC is also licensed to provide service in some areas that overlap with the study area served by Verizon in its capacity as an incumbent local exchange carrier, FTCC does not at present seek ETC status in the same area served by Verizon for purposes of receiving high cost support. Should the Commission deem it in the public interest, FTCC would welcome the opportunity of being designated as an ETC in the part of the Verizon service area where it is licensed to provide service for the limited purpose of being able to provide customers qualifying for lifeline support to have the choice of utilizing that support to obtain FTCC's wireless service.

Certification To FTCC Concurrent With Its Designation As An ETC

In order to obtain high-cost USF support, the FCC's Rules require carriers not only to be designated an ETC, but also require annual certification by their respective State Commissions.²⁴

As described in this Petition, FTCC is committed to utilize any federal high cost support it receives in a manner consistent with the purpose of the funding. In accordance with the two-year plan FTCC has developed, the high cost support funds will be utilized to provision additional cells sites, to provide additional emergency back-up services and to maintain and upgrade existing facilities that will enable FTCC to provide universal service.

In the absence of certification submitted by the Commission to the FCC and its Universal Service Administration Corporation, FTCC will not be able to receive high cost support funding even if it is designated an ETC. FTCC accordingly respectfully requests that in addition to granting FTCC's request for designation as an ETC, that the Commission also issue a finding that FTCC has met the FCC's high-cost certification requirement and that FTCC is, therefore, entitled to receive high-cost support consistent with the FCC's USF distribution rules as of the date FTCC receives a grant of ETC status.

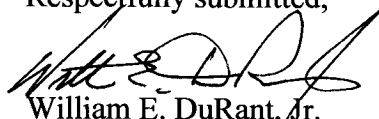
VI. Conclusion

FTCC respectfully requests that the Commission designate FTCC as a federal ETC within the Farmers Telephone Cooperative service area. As demonstrated herein, FTCC meets the requirements established by both the Commission and the FCC with respect to the requested

²⁴ 47 CFR Sections 54.313 and 54.314.

designation. FTCC stands ready, willing and able to meet the responsibilities of an ETC. FTCC will, upon designation as an ETC, offer customers a low-cost "Basic Universal Service Plan" with unlimited local wireless calling to other FTCC customers and to Farmers Telephone Cooperative wireline customers at rates comparable to the offerings of the incumbent wireline providers offering service in the same area as that served by FTCC. FTCC will also upon designation as an ETC implement the two year Plan it has developed to improve the provision of coverage, service quality and emergency back-up service throughout its service area; and, it will update its two year Plan on an annual basis. The designation of FTCC as an ETC by the Commission will bring direct benefits to rural South Carolina consumers and all members of the public by providing wireless universal service in the rural area of South Carolina where FTCC is designated an ETC. Accordingly, designation of FTCC as an ETC, together with certification by the Commission that FTCC is eligible to receive high cost support, will serve the state of South Carolina and the public interest in general.

Respectfully submitted,



William E. DuRant, Jr.

SCHWARTZ, McLEOD, DuRANT & JORDAN
10 Law Range
Sumter, SC 29150
(803) 774-1000

Stephen G. Kraskin
Communications Advisory Counsel
2154 Wisconsin Avenue N.W.
Washington, D.C. 20007
Tel. 202-333-1770

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